

Defense Contract Management Command



Management Councils

Corporate Councils

**Sector (Segment)
Councils**



The Idea

- Bring All Stakeholders Together - Contractor, Major Customers, DCMC, DCAA
- Enhance Communications
- Facilitate & Coordinate Acquisition Reform Efforts
- Address & Resolve Performance Problems



Attributes of a High Performance Management Council

- **Top Quality Senior-level People - Right Skills and Attitude**
- **Meets Often**
- **Maintains Consistent Membership**
- **Has an Agreed-to and Well-defined Charter**
- **Has a Well-organized Agenda**
- **Perseverance**
- **Advertises Successes**



Potential Topics for Discussion



In Addition to SPI, expanded Management Councils Today Address a Variety of Issues of Importance, Including:

- Reducing Reviews - Better Risk Management
- Facilitating Supplier Management Efforts
- Invigorating VECP Submittals
- Improving Manufacturing and Business Processes



More Potential Topics

- **Implement Earned Value Management Systems**
- **Promote Parametric Cost Estimating Techniques**
- **Address Undefinedized Contractual Actions**
- **Facilitate Timely Contract Closeout**
- **Facilitate Acquisition Pollution Prevention**
- **Any Issue Important to our Customers**



Need for Higher-level Councils

- Defense Industry Undergoing Dramatic Changes
- Mergers, Acquisitions & Consolidations Resulting in Few Large Corporations
- Need Mechanism to Synergize Improvement Initiatives & Leverage Results Across Enterprise
- Corporate & Sector (Segment)-level Councils Offer One Method



Organizational Level

- **Policy Change Notice 98-231 Revised DLAD 5000.4 (One Book) to:**
 - **Allow for Establishment of Management Councils at Levels other than Local Site Level**
 - **Provide Mechanism to Execute Block Change Modifications Across a Sector or Corporation**



Organizational Level

- **Policy Change Notice 99-55 Revised One Book to:**
 - **Outline Criteria for Establishing a Corporate Council or Sector Management Council**
 - **Define Role of DCE, CACO, DACO, or Designated ACO as the DCMC CTL for**
 - **Facilitating Resolution of Issues and Buy-in from Other Affected ACOs**
 - **Coordinating Issues with other Customer CTLs**
 - **State that DCMC CTL Drafts Contract Modification Language & Local ACOs Modify Contracts**

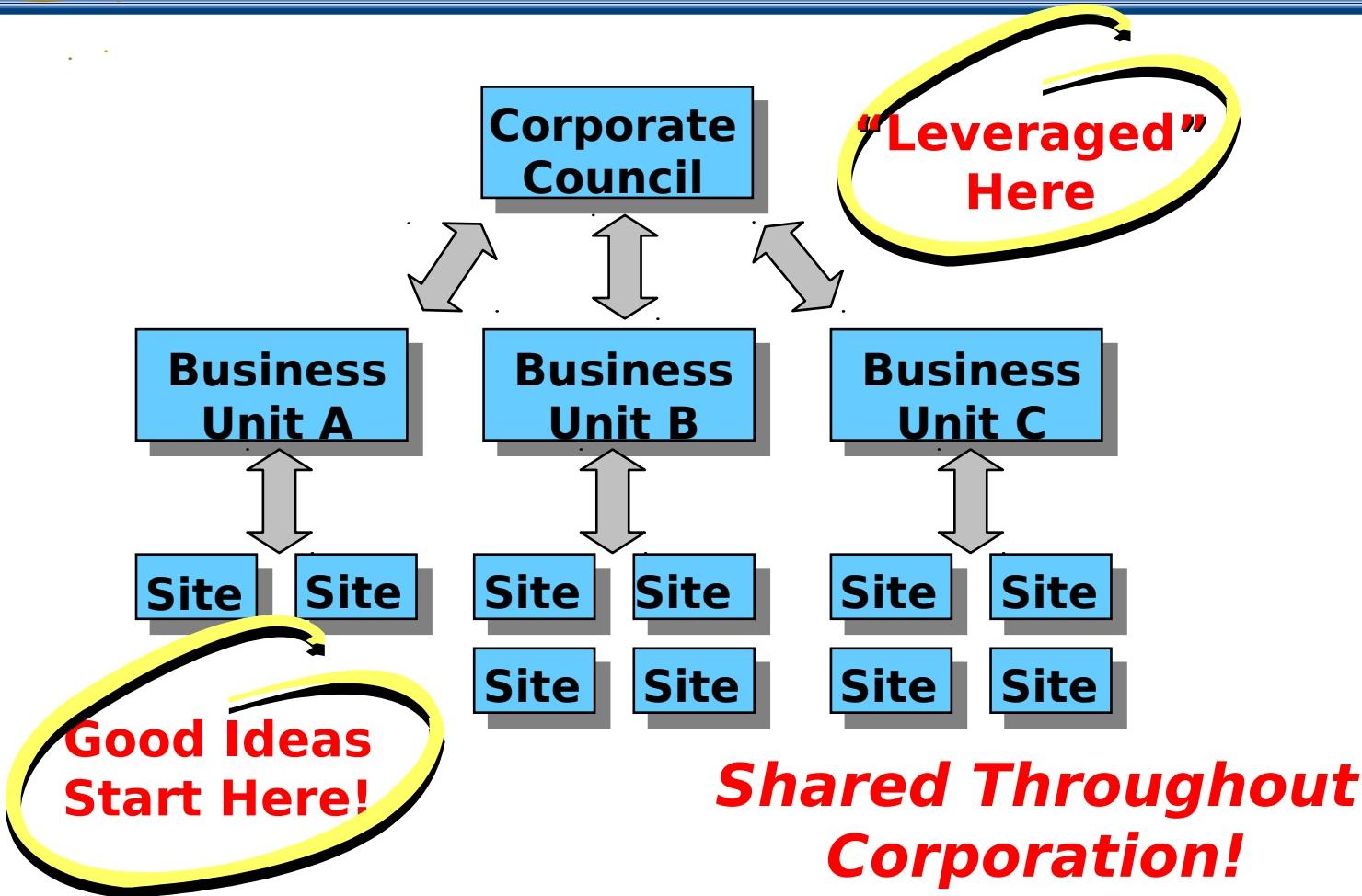


Criteria for Establishing Corporate/Sector Councils

- **Authority to Represent Corporation or Sector Across Two or More Business Areas, Contractual Entities, or Profit Centers**
- **Meet Regularly (Quarterly is Common)**
- **All Component Team Leaders (CTLs) Represented**
- **Agreed to and Well-defined Charter - Outlines Mission, Goals, Membership, Roles, Responsibilities, Meeting Frequency**



Corporate or Sector-level Councils



AlliedSignal, Boeing, Lockheed Martin, Northrop Grumman,
Raytheon Using Corporate or Sector-Level Approach



Existing Corporate Councils

- AlliedSignal - Joint Corporate Council
- Boeing - Joint Leadership Council
- Lockheed Martin - Corporate Management Council
- Northrop Grumman - Corporate Joint Management Council
- Raytheon - Corporate Council



Existing Sector Management Councils

- Boeing
 - Space & Communications Group
 - Military Aircraft & Missile Systems Group
 - Shared Services Group



Existing Sector Management Councils

- Northrop Grumman
 - Electronic Sensors and Systems
 - Integrated Systems and Aerostructures



Existing Sector Management Councils

- Raytheon
 - Defense Systems
 - Sensors & Electronics Systems
 - Command, Control, Communications, and Information Systems (C3)
 - Aircraft Integration Systems
 - Training & Services



Corporate & Sector-based Concept

- **Boeing, Northrop Grumman, Raytheon Using Both Corporate & Sector-level Approach**
- **Allows a Single Process to be Implemented Across Many Facilities within Corporation**
- **Concept Involves Establishment of Corporate Council & Sector-level Management Councils**



Boeing - Northrop Grumman - Raytheon Approaches

- **DCEs, CACOs, DACOs, or Designated ACOs Coordinate Corporate-wide or Sector-wide Block Changes and Facilitate Resolution of Issues**
- **Raytheon - Disestablished Local Management Councils**
- **Boeing and Northrop Grumman - Retained Local Management Councils**



Lead Commanders - Corporate Councils

- AlliedSignal - Joint Corporate Council - **COL**
Laurence E. Thomas, Jr., USA, DCMC Phoenix
- Boeing - Joint Leadership Council - **Col**
Chuck Williams, USAF, DCMC Boeing Seattle
- Lockheed Martin - Corporate Management Council - **Col**
James P. McNulty, USAF, DCMC Lockheed Martin Missiles and Space Sunnyvale
- Northrop Grumman Corporate Joint Management Council - **Col**
Mary J. Mayer, USAF, DCMC Northrop Grumman - El Segundo
- Raytheon - Corporate Council - **COL**
Bryon Young, USA, DCMC Raytheon



Lead Commanders Boeing Sector Councils

- Space and Communications Group
 - **Lt Col Nicole Plourde**, USAF, DCMC Santa Ana - Boeing Seal Beach
- Military Aircraft & Missile Systems Group
 - **CAPT Al Clark**, USN, DCMC Boeing St. Louis
- Shared Services Group
 - **Col Chuck Williams**, USAF, DCMC Boeing Seattle



Lead Commanders Northrop Grumman Sector Councils

- Electronic Sensors and Systems -
Lt Col Kenneth G. Truesdale, USAF, DCMC
Northrop Grumman Baltimore
- Integrated Systems and Aerostructures -
COL Richard Morris, USA, DCMC Dallas



Lead Commanders

- Defense Systems **Raytheon Sector Councils^{CDR}**
Michael Tryon, SC, USN DCMC Raytheon Hughes - Tucson
- Sensors & Electronics Systems
Col Larry Rensing, USAF, DCMC Raytheon Hughes LA
- Command, Control, Communications, and Information Systems (C3)
- **COL Bryon Young**, USA, DCMC Raytheon
- Aircraft Integration Systems
Richard Morris, USA, DCMC Dallas
- Training & Services
Bryon Young, USA, DCMC Raytheon



Latest One Book Change

- **Policy Change Notice 00-87 Revised DLAD 5000.4 (One Book) to:**
 - **Rearrange Paragraphs to Consolidate Topics Under Common Headings**
 - **Outline Responsibilities Of DCMC HQ, CAO Commander, Corporate/Sector Lead Commander, and DCMC CTL**
 - **Establish Communications Network**



DCMC HQ Key Responsibilities

- Designate Lead Commanders & HQ Representatives for Corporate/Sector Councils
- Maintain Network to Communicate Information Among HQ, Districts, Lead Commanders
- Attend Corporate Council Meetings



CAO Commander Key Responsibilities

- Determine Potential Candidates for Councils
- Work with Customers & DCAA to assure they are represented by senior-level personnel who actively participate in meetings
- Work With Contractor in Developing Clear Agenda for Each Meeting
- Periodically Review Council Progress Based on Maturity Model



Additional Key Responsibilities for Lead Commanders

- Assure DCE, CACO, or DACO for Council Acts as DCMC CTL
- Communicate With Commanders of Local Management Councils and Assure They are in Agreement With Proposed Changes
- Act as Facilitator/Coordinator Across Corporate Enterprise (Company & Government Sides)
- Have Frequent Interface With Corporate Office and Key Corporate Leadership



DCMC CTL Responsibilities

- Facilitate Resolution of Issues and Buy-in From Other Affected ACOs
- Draft Contract Modification Language for Local ACOs to Modify Contracts for Approved Changes
- Input Necessary Reports to the SPI System Database



Conclusions

- **Strong Management Councils Provide Key Forums for Communication among Customers, Contractors, DCMC, DCAA, but...**
- **Mechanism is needed to Share Strategic Vision and Good Ideas Corporate-wide**
- **Corporate/Sector-level Councils Offer a Way to ...**
 - **Leverage Improvement Benefits**
 - **Maximize Impact on Total Ownership Cost**
 - **Identify/Remove Barriers Common to Many Sites**
 - **Increase Implementation Efficiency**



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“Management Councils”***